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Restructuring the Behavioral Health System in California

**Testimony Submitted to the
Joint Oversight Hearing of the Assembly & Senate Health Committees
Assembly & Senate Budget Subcommittees on Health and Human Services
February 21, 2012**

**Jason Kletter, Ph.D.
California Opioid Maintenance Providers (COMP)**

Background

The Governor proposes in his 2012-2013 Budget to eliminate the Department of Alcohol and Drug Programs (DADP) and transfer functions to several different departments. In addition, the Drug Medi-Cal program (DMC) is in the process of being transferred to the Department of Health Care Services (DHCS) and simultaneously realigned to counties.

COMP supported the transfer of DMC to DHCS and realignment to counties. Our support for transfer to DHCS and realignment was predicated on our understanding that such initiatives were necessary for the preservation of funding for services to patients across the state. Ultimately, DMC funding was preserved as part of public safety realignment.

2012-2013 Budget Proposal

While we have concerns about the proposed elimination of DADP for a variety of reasons, COMP remains neutral on the proposal given the Administration's preservation of DMC funding for services. We have been working to schedule meetings with the Department of Public Health (DPH) in order to better understand their plan to transition Narcotic Treatment Program Licensing from DADP to DPH. Until the budget was released, we had been led to believe that the program was to be consolidated in a Division of Behavioral Health with Mental Health in DHCS. Now that the details of the transfer have been released, we are eager to understand what policy-making structure will be established and what implementation processes will be adopted within the DPH.

Perhaps the greatest challenge facing the SUD field is the implementation of health care reform. Everyone involved in these initiatives must be focused on ensuring that the essential health benefits developed for both the health insurance exchange and Medi-Cal populations pursuant to the Affordable Care Act adequately covers SUD services, including medication-assisted treatment, at parity with medical-surgical benefits.

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DMC Realignment Status Update

While we supported realignment in the 2011-2012 budget, there have been some problems associated with implementation as follows:

- Our support was contingent on three main assurances from the administration:
 1. if any county did not contract with a capable provider, than the responsible state agency must contract with that provider;
 2. counties must not be allowed to arbitrarily limit access to services, as required by the permanent injunction in *Sobky Vs. Smoley*; and
 3. counties must not be allowed to develop onerous requirements in order to limit access to services.
- Since implementation of realignment, several counties have been unwilling to contract with providers for the level of funding required to provide services to existing patients; and
- There has been no stakeholder process to manage this significant transition of responsibilities.

Recommendations

Given the chaotic context in which all of these major initiatives are being proposed and implemented, COMP suggests the legislature adopt the following initiatives to ensure an efficient transition of oversight of these critical services:

- Create a robust stakeholder process for the transition of Narcotic Treatment Program Licensing and Certification functions from DADP to DPH, modeled after the process required of DHCS in the transfer of DMC, with specific mandates for stakeholder input and specific timelines for reports back to the legislature. This process would benefit from key informant reporting by other services licensed by DPH;
- Require that DHCS report to the Legislature in the budget process on the issues raised by COMP regarding direct state contracts and county authority on the DMC contracts. Additionally, as it has been the experience of SUD programs when integrated with mental health programs, that the SUD programs receive subordinate status and resources. We ask that there be special attention paid to this issue and that this be included as an element of the DHCS report;
- Mandate a post-implementation assessment of both realignment and the elimination of DADP, funded by DHCS but conducted by an outside, reputable firm with expertise in healthcare systems and SUD that has no conflicts of interest; and finally
- Demand that the Health Benefit Exchange Board and other policy-makers ensure the requirements of federal parity laws are incorporated into the essential health benefits package developed for Californians through the exchange and Medi-Cal plans such that critical safety-net services, such as medication-assisted treatment, continue to be covered in order to save lives and substantial resources in California.

Thank you for the opportunity to share the perspective of our clinics. We at COMP are committed to serving our patients every day while navigating the new more complicated administration of these programs.

About California Opioid Maintenance Providers (COMP)

COMP represents 100 licensed Narcotic Treatment programs in California. Our member programs provide opiate treatment services to 90% of the 35,000 people across the California enrolled in medication-assisted treatment. Our mission is to: 1) promote access to high quality treatment for opioid addiction, using medication and psychosocial interventions; 2) disseminate information about medication-assisted treatment in order to dispel myths, promote understanding and acceptance, and reduce stigma associated with these treatments; 3) encourage clinicians, administrators and policy makers to use best practice models and interventions supported by research evidence; 4) to advocate for patients who use opioid medications as a tool in their recovery.